

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7576

BILL NUMBER: HB 1610

NOTE PREPARED: Feb 25, 2005

BILL AMENDED: Feb 24, 2005

SUBJECT: Property tax exemption filing waiver.

FIRST AUTHOR: Rep. Noe

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) This bill authorizes a nonprofit youth soccer organization to claim retroactive property tax exemptions and refunds for property taxes paid in previous years. The bill also authorizes certain religious institutions to claim missed property tax exemptions retroactively.

Effective Date: Upon passage.

Explanation of State Expenditures: (Revised) If a religious institution files an exemption under certain conditions, the exemption application is subject to review and action by the Department of Local Government Finance (DLGF). This provision should have no significant impact on the DLGF.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) *Youth Soccer Organization*. This bill applies to the Zionsville Youth Soccer Association. The bill provides an exemption for the Association from property taxes first due and payable in 2000, 2001, 2002, 2003, and 2004. Other eligible associations, if any, to which the above provisions would apply are unknown.

The bill allows the association to file claims with the county auditor for a refund for property taxes paid on land and improvements that were billed to the taxpayer for property taxes first due and payable in 2000, 2001, 2002, 2003, and 2004. Upon receiving a claim, the county auditor must submit the claim to the county board of commissioners for review. The only grounds for disallowing the claim is if the claimant does not qualify or if the amount claimed is not correct. If the claim is allowed, the county auditor must without an appropriation

being required, issue a warrant to the claimant payable from the county general fund for the amount due the claimant. No interest is payable on the refund.

The county would have to refund \$713 for 2000; \$824 for 2001; \$795 for 2002; \$15,451 for 2003; and \$16,054 for 2004, for a total refund of \$33,837. This provision expires December 31, 2007.

Exemptions for Religious Institutions. The bill provides that a religious institution may file an application before May 11, 2005, for exemption of one or more parcels of real property for property taxes first due and payable in 2001 and 2002 under certain circumstances. A religious institution may also file an application before August 1, 2005, for exemption of one or more parcels of real property for property taxes first due and payable in 2001, 2002, 2003, 2004, and 2005, under certain conditions.

The exemption application is subject to review and action by the county property tax assessment board of appeals and is subject to appeal. The religious institution may file a claim with the county auditor for a refund for any payment of property taxes first due and payable, including any paid interest and penalties under certain conditions. Upon receiving a claim for a refund, if the county auditor determines that the claim is correct, the auditor must, without an appropriation being required, issue a warrant to the claimant payable from the county general fund for the amount of the refund due the claimant. Interest is not payable on the refund. Under certain conditions, the county treasurer must forgive the property taxes, penalties, and interest charged to the religious institution for the exempt property in any combination of 2001, 2002, 2003, 2004, or 2005.

This above provision applies to a church and the churches properties in Indianapolis. Other eligible churches, if any, to which the above provisions would apply are unknown. The bill will increase administrative expenses for the county. The bill will also reduce revenue for Marion County and taxing units located within the taxing district wherein the church property is located by a total of \$100,024.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Boone and Marion Counties and certain local units within these counties.

Information Sources: Zionsville Youth Soccer Association; Minister Murray, International Light.

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